

The Free Lance-Star, Fredericksburg, Virginia  
Friday, December 22, 1972

**Lewis Gulick**

## CIA fund cuts seen under Schlesinger

WASHINGTON (AP) — A firm administrative hand and probable fund-cutting are in store for the big Central Intelligence Agency under its new chief, James R. Schlesinger.

This is the opinion of a number of well-placed U.S. officials outside of the CIA, which is sticking to its tradition as the silent service.

President Nixon intends to put Schlesinger, Atomic Energy Commission chairman and former assistant budget director, in the CIA post to replace Richard M. Helms, the Florida White House announced Thursday.

Helms, the career intelligence officer who has headed the espionage agency since 1966, is to become U.S. ambassador to Iran.

Press Secretary Ronald L. Ziegler relayed Nixon's praise for Helms' "dedicated service" and denied the intelligence director was being ousted for faulty reporting on foreign developments.

Helms was instrumental in installing a policy of retirement at age 60 at CIA, aides said. With his own 60th birthday coming in March, Helms is said to have told both the President and colleagues he too should abide by the rule.

The choice Teheran post, in the same pay range as the CIA director's \$42,500 a year, is one of the few ambassadorships Nixon could have secured for Helms because of the CIA's unwelcome image in most countries.

CIA is generally credited with helping the 1953 overthrow of Iran's anti-Western premier, Mohammed Mossadegh, which restored the present shah to his throne.

Unlike Helms, who rose through intelligence ranks in three decades of duty starting

with the U.S. Navy in World War II, Schlesinger, 43, is a former economics professor with no announced experience in cloak-and-dagger operations.

At the AEC since August 1971, he has been rated by colleagues as a strong manager with a firm grip on the budget as well as being well-versed in nuclear affairs.

Nixon has served notice he intends to cut back federal agencies during his second term. Many officials rate the U.S. intelligence community as the ripest for fat-removal in the foreign affairs area.

CIA's exact size is secret, but is reported unofficially to be around double the 7,200 employees at the AEC.

Helms last year was given enlarged duties by Nixon for coordination over the sprawling intelligence establishment, which includes also the Pentagon's Defense Intelligence Agency and the code-breaking National Security Agency.

Some officials suggested that Schlesinger will be able to cut deeper than Helms, who as a careerist would be chopping at longtime fellow professionals and friends.

On the other hand, some voiced wariness lest zeal for tighter management over the intelligence community impair the flow of differing opinions to the President.

HS/HC-228